

Date: May 11, 2022	Originator's files:
To: Chair and Members of General Committee	
From: Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer	Meeting date: June 1, 2022

Subject

Update to the Real Estate Delegation of Authority By-law, which delegates authority for the approval and execution of real estate agreements

Recommendation

1. That the By-law attached as Appendix 1 to the report titled "Update to the Real Estate Delegation of Authority By-law, which delegates authority for the approval and execution of real estate agreements", dated May 11, 2022 from the Commissioner of Corporate Services and Chief Financial Officer, be enacted.
2. That By-law 0148-2018 be rescinded.

Executive Summary

- The Real Estate Delegation of Authority By-law provides delegation of authority to certain staff to execute certain authorized documents in order to conduct City business efficiently.
- The existing authorization was approved in 2018 and was enacted as By-law 0148-2018.
- The updated by-law will address minor housekeeping matters stemming from the restructuring of Corporate Services Department and the reassignment of Realty Services to the Corporate Business Services Division. The updated by-law also clarifies the calculation of the value for a leasing transaction to determine the appropriate approval authority level.

Background

At its meeting of July 4, 2018, Council authorized an update to the Real Estate Delegation of Authority bylaw to delegate Council's authority to enter into real estate transactions as follows:

<u>Value of Transaction</u>	<u>Designated Approval Authority</u>
\$100,000 or less (including leases)	Manager, Realty Services (the "Manager")
\$100,001 to \$250,000 (including leases)	Director, Facilities and Property Management (the "Director")
\$250,001 to \$500,000 (including leases)	Commissioner of Corporate Services and Chief Financial Officer (the "Commissioner")
\$500,001 to \$1,000,000 (\$2,000,000 for leases)	City Manager and Chief Administrative Officer (the "City Manager")

The 2018 by-law reflected changes in the fiscal limits which were supported by the increase in the market value of properties since the enactment of the original by-law in 2008 and which were consistent with the maximum value of transactions currently permitted in other municipalities. As well, the updated by-law clarified the circumstances under which the authority may be exercised and additionally authorized staff to execute applications for minor variances and temporary rezoning of City-owned property.

Comments

The following are the proposed changes to the Real Estate Delegation of Authority By-law:

(1) Designated Approval Authority:

In September of 2021, the Corporate Business Services Division was created in Corporate Services and included, among others, the Realty Services section. Realty Services formerly reported to the Director of Facilities and Property Management Division, with the Director listed as one of the Designated Approval Authorities. The move of the Realty Services section from Facilities and Property Management to the new division, Corporate Business Services, requires an update to the definition of Director so that the updated by-law includes as follows:

<u>Value of Transaction</u>	<u>Designated Approval Authority</u>
\$100,000 or less (including leases)	Manager, Realty Services (the "Manager")
\$100,001 to \$250,000 (including leases)	Director, Corporate Business Services (the "Director")
\$250,001 to \$500,000 (including leases)	Commissioner of Corporate Services and Chief Financial Officer (the "Commissioner")
\$500,001 to \$1,000,000 (\$2,000,000 for leases)	City Manager and Chief Administrative Officer (the "City Manager")

(2) Clarification on the calculation of the value of a transaction:

The updated by-law also clarifies the calculation of the value for a leasing transaction to determine the appropriate approval authority, such that where the City intends to enter into a lease agreement and the City is the landlord, the determination of consideration for the purposes of selecting the proper level of approval authority, where tenant extension options are included in leases, if the extension is to be determined at a later date than the original approval date, total value is to be calculated as though all options are exercised, estimating the extension based on the highest rent payable in the first term of the lease.

Financial Impact

There are no financial impacts resulting from the Recommendations in this report.

Conclusion

The updated bylaw, attached as Appendix 1, will address minor housekeeping matters stemming from the restructuring of Corporate Services Department and the reassignment of Realty Services to the Corporate Business Services Division. The updated by-law also clarifies the calculation of the value for a leasing transaction to determine the appropriate approval authority level.

Attachments

Appendix 1: Updated Delegated Authority By-law



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Sheryl Badin, Manager, Realty Services, Corporate Business Services